## STATE OF MICHIGAN

### BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, to commence a collaborative to consider issues related to implementation of effective electric demand response tariffs and efficient deployment of load-modifying resources.

Case No. U-20628

At the September 11, 2019 meeting of the Michigan Public Service Commission in Lansing, Michigan.

> PRESENT: Hon. Sally A. Talberg, Chairman Hon. Daniel C. Scripps, Commissioner Hon. Tremaine L. Phillips, Commissioner

#### **ORDER OPENING DOCKET**

On February 7, 2019, the Commission issued an order in Case No. U-20464 (February 7 order) in response to a request from Governor Gretchen Whitmer for the Commission to review the state's energy supply and preparedness for emergency situations, following a series of energy events that happened during Michigan's January 29 through February 1, 2019 cold weather emergency. In the July 2, 2019 order in that docket (July 2 order), the Commission noted that the initial Michigan Statewide Energy Assessment (SEA) report was timely provided to the Governor on July 1, 2019,<sup>1</sup> in accordance with her request. In the July 2 order, the Commission also invited interested persons to comment on the initial SEA report, which was developed with the

<sup>&</sup>lt;sup>1</sup> On July 1, 2019, a copy of the initial SEA report was filed in Case No. U-20464, filing #U-20464-0031.

Commission Staff's (Staff) assistance as well as input from affected industries and other stakeholders.

Today, following the Commission's review and consideration of numerous comments from interested persons, the Commission issued a third order in Case No. U-20464 (September 11 order) stating that the final SEA report was timely provided to the Governor and is available in that docket. The September 11 order includes details from the final SEA report and discusses any comments that resulted in a change to the initial SEA report. The September 11 order also sets forth those jurisdictional recommendations indicated in the final SEA report that the Commission finds should be addressed immediately and those that can be addressed at a later time given prioritization of the resulting workload.

In this regard, and stemming from the September 11 order, the Commission is opening this docket to establish a collaborative group consisting of Staff experts, representatives from Consumers Energy Company, DTE Energy Company, and the Michigan Electric and Gas Association member utilities, and other interested stakeholders, to review and discuss the information contained in the final SEA report regarding the reasons for the poor response of load-modifying resources (LMRs)<sup>2</sup> to the 2019 cold weather emergency, and to discuss ways to improve future LMR participation and performance when deployment is required.<sup>3</sup> Other organizations and individuals, particularly regional transmission organizations (RTOs), demand response (DR) providers, and customer advocates, are invited to attend and provide input on customer needs, LMR capabilities, and related issues. The collaborative group shall review

<sup>&</sup>lt;sup>2</sup> LMR, in this instance, refers to customers who agree to reduce their consumption during times of extreme demand or abnormal system performance.

<sup>&</sup>lt;sup>3</sup> See, final SEA report, 9.3.1.1 Compiled Recommendations and Observations for Mitigating Risks, Electric Recommendation E-1, p. 195.

electric utility DR tariffs for consistency and clarity relative to LMR deployment, including notification and penalty provisions, and recommend any needed improvements to DR tariffs so that increased LMR participation and performance are ensured. The collaborative group should consider how utilities can coordinate with the Staff, customers, the RTO, and other stakeholders to align retail DR tariff offerings with wholesale markets and emergency operations. The collaborative group shall specifically identify recommendations that would help the utilities maximize the capacity value of their DR resources in the wholesale markets. The collaborative group shall also review and discuss utility plans for handling communication with customers during DR events, and ways to conduct testing of the communication/response system. The collaborative group shall consider potential revisions to utility tariffs to improve communication with LMRs during times when their deployment is necessary. Finally, the collaborative group will discuss other issues related to DR as appropriate to achieve the Commission's overarching goals of reliability and resilience.

The Staff shall file a report setting forth initial recommendations in this docket no later than July 31, 2020. The Commission anticipates that proposed electric utility tariff changes will be reviewed in applicable future rate case filings.

### THEREFORE, IT IS ORDERED that:

A. The Commission Staff shall form a collaborative group that includes representatives from Consumers Energy Company, DTE Energy Company, Michigan Electric and Gas Association member utilities, and other interested stakeholders, to review electric utility demand response tariffs and the optimal deployment of load-modifying resources as discussed in this order.

B. The Commission Staff shall file in this docket a report of findings and recommendations no later than July 31, 2020.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Daniel C. Scripps, Commissioner

Tremaine L. Phillips, Commissioner

By its action of September 11, 2019.

Lisa Felice, Executive Secretary

# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-20628

County of Ingham

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Brianna Brown being duly sworn, deposes and says that on September 11, 2019 A.D. she

electronically notified the attached list of this Commission Order via e-mail transmission,

to the persons as shown on the attached service list (Listserv Distribution List).

Brianna

Subscribed and sworn to before me this 11<sup>th</sup> day of September 2019.

Angela P. Sanderson Notary Public, Shiawassee County, Michigan As acting in Eaton County My Commission Expires: May 21, 2024

## **GEMOTION DISTRIBUTION SERVICE LIST**

**Energy Michigan** 

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